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11
12 **UNITED STATES BANKRUPTCY COURT**
13 **FOR THE DISTRICT OF NEVADA**

14 **THE RHODES COMPANIES,**
15 aka "Rhodes Homes, *et al.*,"

16 Debtors

CASE NO. BK-S-09-14814-LBR
(Jointly Administered)

Chapter 11

Honorable Linda B. Riegler

18
19 **FOURTH AND FINAL FEE APPLICATION OF**
20 **PARSONS BEHLE & LATIMER**
21 **AS COUNSEL TO**
THE UNSECURED CREDITORS COMMITTEE

22 Parsons Behle & Latimer ("Parsons Behle" or the "Firm"), counsel to the Official
23 Committee (the "Committee") of Unsecured Creditors of The Rhodes Companies, aka "Rhodes
24 Homes," *et al.*, (the "Debtor;" together with its filed affiliates, the "Debtors"), pursuant to 11
25 U.S.C. §§ 330(a), 331, 503(b)(2) and 507(a)(1), Federal Rule of Bankruptcy Procedure 2016, and
26 pursuant to the procedures set forth in this Court's May 18, 2009 "*Order Granting Debtors'*
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28

1 *Motion for Administrative Order Pursuant to Sections 105(A) and 331 of the Bankruptcy Code*
 2 *and Bankruptcy Rule 2016 Establishing Procedures for Interim Monthly Compensation and*
 3 *Reimbursement of Expenses of Professionals [Re: Docket No. 62]*” (the “Administrative
 4 Compensation Order”) [Docket #180], hereby files its Fourth and Final Fee Application (the
 5 “Final Fee Application”) for final approval of:

6
 7 (i) \$29,785.00 (the reduced amount requested by Parsons Behle at the hearing on
 8 February 11, 2010) in fees and \$496.09 in expenses awarded to the Firm on an interim
 9 basis in connection with its First Interim Fee Application, filed on August 15, 2009
 10 (docket #821) (the “First Interim Fee Application”);

11 (ii) \$78,618.75 in fees and \$4,901.95 in expenses awarded to the Firm on an
 12 interim basis in connection with its Second Interim Fee Application, filed on November
 13 13, 2009 (docket #1092) (the “Second Interim Fee Application”);

14 (iii) \$39,883.00 in fees and \$2,675.26 in expenses awarded to the Firm on an
 15 interim basis in connection with its Third Interim Fee Application, filed on February 16,
 16 2010 (docket #1093) (the “Third Fee Application”); and

17 (iv) \$25,148.02 in fees (the total amount of fees earned during the Fourth and Final
 18 Compensation Period of \$32,823.50 less a \$7,675.48 reduction of fees billed to the “fee
 19 applications / time recordation” category) and \$3,168.27 in expenses earned and incurred
 20 by the Firm for the period of time between January 1, 2010 and April 1, 2010 (the “Fourth
 21 and Final Compensation Period”).

22 **I. BACKGROUND.**

23
 24 1. On either March 31, 2009 or April 1, 2009, each of the Debtors commenced a
 25 voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).
 26
 27
 28

1 2. On April 10, 2009, this Court entered an order authorizing the joint administration
2 of the Debtors' cases. [Docket #18.]

3 3. During the cases, the Debtors operated their businesses and managed their
4 properties as debtors and debtors in possession pursuant to sections 1107(a) and 1108 of the
5 Bankruptcy Code.
6

7 4. No trustee or examiner was appointed in these cases.

8 5. The Debtors' Third Amended Modified Plan of Reorganization (the "Plan") was
9 confirmed on March 12, 2010. [Docket #1053.]

10 6. The Effective Date under the Plan was April 1, 2010. [Docket #1079.]

11 7. Pursuant to the Plan, *all* the uncontested claims of unsecured creditors are to be
12 purchased at face value by the first lien lender group after the Effective Date.
13

14 8. As of the date of this Application, *most* of the uncontested claims of unsecured
15 creditors have already been purchased at face value by the first lien lender group.

16 **II. THE COMMITTEE AND ITS ENGAGEMENT OF PARSONS BEHLE.**

17 9. The Committee was constituted by the United States Trustee (the "U.S. Trustee")
18 on May 26, 2009. [Docket #201.]

19 10. Parsons Behle was duly selected by the Committee as its counsel on May 26,
20 2009.
21

22 11. Parsons Behle commenced to perform services and incur expenses on behalf of the
23 Committee in the Debtors' bankruptcy cases on May 26, 2009.

24 12. On June 18, 2009, the Committee filed its Application to Employ Parsons Behle as
25 Counsel to the Committee (the "Employment Application") [Docket #249].

26 13. This Court's order granting the Employment Application (the "Order") was
27 entered on August 3, 2009 [Docket #380]. The terms and conditions of Parsons Behle's
28

1 engagement as counsel to the Committee are set forth in the Employment Application and the
2 Order.

3 **III. PARSONS BEHLE'S PREVIOUS MONTHLY STATEMENTS.**

4 14. Parsons Behle has, previous to the date of this Application, sought payment of fees
5 and reimbursement of expenses by submitting eight monthly fee statements to the Debtors
6 pursuant to the Administrative Compensation Order.¹

7
8 **A. First Parsons Behle Monthly Statement.**

9 15. Pursuant to the Administrative Compensation Order, on August 30, 2009, Parsons
10 Behle submitted its first fee statement (the "First Parsons Behle Monthly Statement") for the
11 period of time between July 1, 2009 and July 31, 2009. The statement was for \$20,979.00 in fees
12 and \$1,119.04 in expenses.

13
14 **B. Second Parsons Behle Monthly Statement.**

15 16. Pursuant to the Administrative Compensation Order, on September 21, 2009,
16 Parsons Behle submitted its second fee statement (the "Second Parsons Behle Monthly
17 Statement") for the period of time between August 1, 2009 and August 31, 2009. The statement
18 was for \$25,673.75 in fees and \$622.06 in expenses.

19
20 **C. Third Parsons Behle Monthly Statement.**

21 17. Pursuant to the Administrative Compensation Order, on October 20, 2009, Parsons
22 Behle submitted its third fee statement (the "Third Parsons Behle Monthly Statement") for the
23 period of time between September 1, 2009 and October 16, 2009.² The statement was for
24 \$32,200.00 in fees and \$3,899.99 in expenses.

25
26
27 ¹ As reflected in Parson Behle's First Interim Fee Application, there were no monthly fee statements submitted to the
Debtors for the period of May 26, 2009 through May 31, 2009 or June 1, 2009 through June 30, 2009. No monthly
fee statement was submitted, as well, for March 1, 2010 through April 1, 2010.

28 ² The Third Parsons Behle Monthly Statement erroneously included fees and costs from October 1 through October
16, 2009 in addition to fees and costs from September 1, 2009 through September 30, 2009. Therefore, the fees and

D. Fourth Parsons Behle Monthly Statement.

18. Pursuant to the Administrative Compensation Order, on November 20, 2009, Parsons Behle submitted its fourth fee statement (the "Fourth Parsons Behle Monthly Statement") for the period of time between October 17, 2009 and October 31, 2009.² The statement was for \$11,211.50 in fees and \$173.35 in expenses.

E. Fifth Parsons Behle Monthly Statement.

19. Pursuant to the Administrative Compensation Order, on December 7, 2009, Parsons Behle submitted its fifth fee statement (the "Fifth Parsons Behle Monthly Statement") for the period of time between November 1, 2009 and November 30, 2009. The statement was for \$19,024.75 in fees and \$594.19 in expenses.

F. Sixth Parsons Behle Monthly Statement.

Pursuant to the Administrative Compensation Order, on January 20, 2010, Parsons Behle submitted its sixth fee statement for the period of time between December 1, 2009 and December 31, 2009. The statement was for \$10,645.25 in fees and \$1,168.58 in expenses. On January 26, 2010, Parsons Behle submitted its revised sixth fee statement for the period of time between December 1, 2009 and December 31, 2009 to remove an entry that was inadvertently included on December 29, 2009. The revised statement was for \$10,135.25 in fees and \$1,168.58 in expenses. On February 16, 2010, Parsons Behle submitted its second revised sixth fee statement (the "Revised Sixth Parsons Behle Monthly Statement") for the period of time between December 1, 2009 and December 31, 2009 to remove a second entry that was inadvertently included on December 29, 2009. The second revised statement was for \$9,412.75 in fees and \$1,168.58 in expenses.

costs submitted in the Fourth Parsons Behle Monthly Statements omitted fees and costs from October 1 through October 16, 2009 and included only fees and costs for the period of time between October 17, 2009 and October 31, 2009.

G. Seventh Parsons Behle Monthly Statement.

20. Pursuant to the Administrative Compensation Order, on February 22, 2010, Parsons Behle submitted its seventh fee statement (the “Seventh Parsons Behle Monthly Statement”) for the period of time between January 1, 2010 and January 31, 2010. The statement was for \$10,316.00 in fees and \$1,059.86 in expenses.

H. Eighth Parsons Behle Monthly Statement.

21. Pursuant to the Administrative Compensation Order, on March 22, 2010, Parsons Behle submitted its eighth fee statement (the “Eighth Parsons Behle Monthly Statement”) for the period of time between February 1, 2010 and February 28, 2010. The statement was for \$16,151.50 in fees and \$1,535.59 in expenses.³

22. During the period of time between March 1, 2010 and April 1, 2010, the Firm earned \$5,931.00 in fees and incurred \$570.57 in expenses. It has not submitted any monthly statement in respect of such fees and expenditures to the Debtors.

23. Consequently, in addition to seeking final approval of compensation awards previously made on an interim basis, this Application seeks this Court’s interim and final approval of the \$25,148.02 of fees, and \$3,168.27 of expenses, sought pursuant to the Seventh and Eighth Parsons Behle Monthly Statements, and in respect of fees earned and expenses incurred between March 1, 2010 and April 1, 2010.

IV. PARSONS BEHLE’S PRIOR APPLICATIONS FOR COMPENSATION AND REIMBURSEMENT, AND THIS COURT’S AWARDS THEREON.

24. This application is the fourth and final application filed by Parsons Behle in this case. It is for all time and expenses incurred, after Parsons Behle was engaged by the Committee,

³ The Eighth Parsons Behle Monthly Statement was reduced by \$438.84 in order to compensate for overpayment by the Debtor with respect to the Seventh Parsons Behle Monthly Statement.

between January 1, 2010 and April 1, 2010. The following is a complete schedule of all prior applications submitted to the Court for approval:

Date Filed	Amount Requested	Date Approved	Compensation Time Period	Amount Approved
08/15/2009 Docket #409 ⁴	\$33,831.84	12/09/2009 Docket #821	May 26, 2009- June 30, 2009	\$30,281.09
11/13/2009 Docket #731 ⁵	\$83,520.70	02/13/2010 Docket #1092	July 1, 2009- September 30, 2009	\$83,520.70
02/16/2010 Docket #1006	\$42,558.26	02/13/2010 Docket #1093	October 1, 2009- December 31, 2009	\$42,558.26

Total Amount Previously Approved: \$156,360.05

V. PAYMENTS TO PARSONS BEHLE IN RESPECT OF PREVIOUS MONTHLY STATEMENTS AND FEE APPLICATIONS.

25. To date, Parsons Behle has received as compensation the following amounts from the following sources:

Date Received	Amount Received	Source of Payment
09/11/2009	\$22,098.04	Debtors
10/15/2009	\$22,444.75	Debtors
11/23/2009	\$31,269.99	Debtors
11/30/2009	\$ 9,713.13	Debtors
12/28/2009	\$16,765.23	Debtors
12/28/2009	\$30,281.09	Debtors
02/22/2010	\$ 9,608.26 ⁶	Debtors

Total Amount Received: \$142,180.49

VI. PARSONS BEHLE'S PRESENT APPLICATION: FEES.

26. In performing services for the Committee, Parsons Behle has attempted to minimize fees and expenses by utilizing, where possible, the most economical yet most effective methods, including (i) concentrating supervision and coordination on and of all services by one

⁴ Mr. Beckett advised the Court at the hearing on the *First Interim Fee Application* that several time entries were inadvertently included prior to May 26, 2009 (the date set forth in the Administrative Compensation Order) and therefore requested that the amount requested be reduced to the correct amount of \$30,281.09.

⁵ Parsons Behle filed a *Notice of Amended Exhibit "B" to Second Interim Fee Application* on December 22, 2009 [Docket #873]. However, the amount of \$4,109.95 in costs submitted remained the same.

⁶ The Debtors overpaid the Sixth Parsons Behle Billing Statement in the amount of \$438.84. Therefore, that amount was applied toward the Eighth Parsons Behle Billing Statement.

attorney, J. Thomas Beckett; (ii) assignment of projects to specific persons having sufficient expertise yet the lowest available billing rates; (iii) correspondence with the Committee's members and their constituents primarily by e-mail whenever possible, rather than by courier, postal service or telecopy; and (iv) not billing for unproductive travel time.

27. Parsons Behle has provided detail describing the tasks performed, and the time required to perform those tasks, at Exhibit "A."

28. The following professional employees of Parsons Behle have performed services on behalf of the Committee during the Fourth and Final Compensation Period:

Individual	Total Hours	Hourly Rate	Compensation
J. THOMAS BECKETT	56.50	\$ 425.00	\$24,012.50
REW R. GOODENOW	5.00	\$ 370.00	1,850.00
DAVID P. BILLINGS	13.90	\$ 190.00	2,641.00
LINDA O. MYERS	32.00	\$ 135.00	4,320.00

Total Hours Billed: 107.40

Total Compensation Requested: \$25,148.02⁷

Blended Hourly Rate: \$305.62

29. The compensation requested is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under the Bankruptcy Code.

30. Parsons Behle has categorized its tasks by the following project categories, which are explained in more detail below:

CODE	CATEGORY	TOTAL HOURS	TOTAL FEES	BLENDED RATE	% (FEES)
B01	Case Administration	13.00	\$ 1,755.00	\$135.00	5%
B03	Time Keeping / Fee Applications	25.60	\$ 5,111.50	\$199.67	15%
B04	Hearings and Contested Matters	.60	\$ 255.00	\$425.00	1%
B05	Plan of Reorganization	53.60	\$19,591.00	\$365.50	60%
B06	Committee Meetings/ Business	14.60	\$ 6,111.00	\$418.56	19%

⁷ The total amount of fees earned during the Fourth and Final Compensation Period of \$32,823.50 less a \$7,675.48 reduction of fees billed to the "fee applications / time recordation" category).

31. These categories, sorted by the fees charged for each category, appear as follows:

CODE	CATEGORY	TOTAL HOURS	TOTAL FEES	BLENDED RATE	% (FEES)
B05	Plan of Reorganization	53.60	\$19,591.00	\$365.50	60%
B06	Committee Meetings/ Business	14.60	\$ 6,111.00	\$418.56	19%
B03	Time Keeping / Fee Applications	25.60	\$ 5,111.50	\$199.67	15%
B01	Case Administration	13.00	\$ 1,755.00	\$135.00	5%
B04	Hearings and Contested Matters	.60	\$ 255.00	\$425.00	1%

32. Parsons Behle performed professional services during the Fourth and Final Compensation Period on behalf of the Committee in the following matters as broken down by project categories:

A. Case Administration / Legal Support (“B01”)

33. “Case Administration / Legal Support” is the project category which generally captures the billable administrative services rendered in support of Parsons Behle’s representation of the Committee, which services do not easily fit in the other project categories.

34. The following individuals performed services during the Fourth and Final Compensation Period with respect to the Case Administration / Legal Support project category:

01/01/10-04/01/10

B01 – CASE ADMINISTRATION / LEGAL SUPPORT

NAME (INITIALS)	TITLE	HOURLY RATE	TOTAL HOURS	TOTAL FEES
LINDA O. MYERS (LO)	Paralegal	\$135.00	13.00	\$1,755.00
TOTAL HOURS & FEES			13.00	\$1,755.00
PERCENT OF CURRENT PERIOD (BY FEES)				5%
BLENDED HOURLY RATE				\$ 135.00

B. Fee Applications and Time Recordation (“B03”)

35. “Fee Applications and Time Recordation” is the project category which captures the discrete time that Parsons Behle’s professionals expend effecting the Firm’s engagement, reviewing the terms of other counsel’s engagement, appearing at engagement hearings, preparing

its own monthly statements and fee applications, and reviewing the monthly statements and fee applications of other counsel.

36. The following individuals performed services during the Fourth and Final Compensation Period with respect to the Fee Application and Time Recordation project category:

01/01/10-04/01/10

B03 – FEE APPLICATIONS / TIME RECORDATION

NAME (INITIALS)	TITLE	HOURLY RATE	TOTAL HOURS	TOTAL FEES
J. THOMAS BECKET (JTB)	Shareholder	\$425.00	5.50	\$2,337.50
DAVID P. BILLINGS (DPB)	Associate	\$190.00	1.10	209.00
LINDA O. MYERS (LO)	Paralegal	\$135.00	19.00	2,565.00
TOTAL HOURS & FEES			25.60	\$5,111.50
PERCENT OF CURRENT PERIOD (BY FEES)				15%
BLENDED HOURLY RATE				\$199.67

37. During this case, a total of \$21,258.75 has been billed to the “fee applications / time recordation” category. This represents 11.75% of the total fees billed (\$181,110.25), which Parsons Behle considers excessive. Consequently, the Firm proposes reducing its overall fee request by \$7,675.48 so that its request in connection with this category is reduced to 7.5% of the total fees billed.

C. Hearings / Contested Matters (“B04”)

38. “Hearings / Contested Matters” is the project category which was created to hold the time of Parsons Behle professionals’ investigation of, research on, preparation for and attendance at hearings on matters pending before the Court for which no other project category (such as Plan of Reorganization) has been created.

39. The following individuals performed services during the Fourth and Final Compensation Period with respect to the Hearings / Contested Matters project category:

01/01/10-04/01/10

B04 – HEARINGS / Contested Matters

NAME (INITIALS)	TITLE	HOURLY RATE	TOTAL HOURS	TOTAL FEES
J. THOMAS BECKETT (JTB)	Shareholder	\$425.00	.60	\$255.00
TOTAL HOURS & FEES			.60	\$255.00
PERCENT OF CURRENT PERIOD (BY FEES)				1%
BLENDED HOURLY RATE				\$425.00

D. Plan of Reorganization (“B05”)

40. “Plan of Reorganization” is the project category which was created to hold the time of Parsons Behle’s professionals spent researching and negotiating plan of reorganization issues, and appearing at hearings on the various proposed disclosure statements and reorganization plans.

41. The following individuals performed services during the Fourth and Final Compensation Period with respect to the Plan of Reorganization project category:

01/01/10-04/01/10

B05 – PLAN OF REORGANIZATION

NAME (INITIALS)	TITLE	HOURLY RATE	TOTAL HOURS	TOTAL FEES
J. THOMAS BECKETT (JTB)	Shareholder	\$425.00	36.20	\$ 15,385.00
REW R. GOODENOW (RRG)	Shareholder	\$370.00	5.00	1,850.00
DAVID P. BILLINGS (DPB)	Associate	\$190.00	12.40	2,356.00
TOTAL HOURS & FEES			53.60	\$19,591.00
PERCENT OF CURRENT PERIOD (BY FEES)				60%
BLENDED HOURLY RATE				\$ 365.50

E. Committee Meetings & Business (“B06”)

42. “Committee Meetings & Business” is the project category created to contain the time of Parsons Behle’s professionals spent (i) briefing the Committee on pending and impending issues, (ii) preparing for and conducting meetings of the Committee, and (iii) responding to requests and inquiries from the Committee, its members and its constituency.

43. The following individuals performed services during the Fourth and Final Compensation Period with respect to the Committee Meetings & Business project category:

01/01/10-04/01/10

B06 – COMMITTEE MEETINGS & BUSINESS

NAME (INITIALS)	TITLE	HOURLY RATE	TOTAL HOURS	TOTAL FEES
J. THOMAS BECKETT (JTB)	Shareholder	\$425.00	14.20	\$ 6,035.00
DAVID P. BILLINGS (DPB)	Associate	\$190.00	.40	76.00
TOTAL HOURS & FEES			14.60	\$ 6,111.00
PERCENT OF CURRENT PERIOD (BY FEES)				19%
BLENDED HOURLY RATE				\$418.56

VII. PARSONS BEHLE'S PRESENT APPLICATION: EXPENSES.

44. During the Fourth and Final Compensation Period, Parsons Behle incurred actual and necessary expenses in the total amount of \$3,168.27 in connection with its professional services rendered to the Committee. A list of these expenses is attached as Exhibit "B."

45. The amount of costs were computed utilizing the following methods of allocation:

Cost Code	Description	Amount
10	PHOTOCOPIES	\$ 485.25
14	TELECOPIES	6.00
16	BINDERS	37.98
23	DRILLING	7.50
30	MESSENGER SERVICE	7.50
40	LONG DISTANCE TELEPHONE	21.40
62	PACER COURT DOCKET	145.98
114	FILING FEE	199.00
130	DELIVERY	10.22
161	MEALS	230.97
162	HOTEL, TAXI'S & PARKING	1,640.07
165	AIRFARE	376.40

(Copies are charged at the rate of \$.15 each.)
(Long distance calls are charged at actual cost.)
(Mileage is not charged.)

VIII. OPINIONS, CERTIFICATIONS AND DISCLOSURES.

46. All services performed and expenses incurred for which compensation or reimbursement is requested were actually performed or incurred for and on behalf of the Committee and its constituency and not for the benefit of any other person or entity.

47. In the opinion of the undersigned, all such services actually benefited the estate and its unsecured creditors.

48. In the opinion of the undersigned, Parsons Behle's fees earned and expenses incurred in the Fourth and Final Compensation Period are fair and reasonable in light of the services rendered.

49. Parsons Behle certifies that none of the compensation or reimbursement for costs applied for in this application will be shared with any entity in violation of 11 U.S.C. § 504.

50. Parsons Behle has not made any agreements with the Committee, the Debtors or others for compensation or reimbursement which have not been disclosed to the Court.

51. To the best knowledge of the undersigned, all quarterly fees have been paid to the U. S. Trustee and all monthly operating reports have been filed.

52. The undersigned has inquired of all attorneys employed by Parsons Behle with respect to those matters initially disclosed to the Court pursuant to Federal Rule of Bankruptcy Procedure 2014 and has determined that no further disclosure is warranted at this time.

WHEREFORE, Parsons Behle prays that this Court enter an Order

53. awarding, on a final basis,

(i) \$29,785.00 in fees (the reduced amount requested by Parsons Behle at the hearing on February 11, 2010) and \$496.09 in expenses awarded to the Firm on an interim basis in connection with its First Interim Fee Application, filed on August 15, 2009 (docket #409);

(ii) \$78,618.75 in fees and \$4,901.95 in expenses awarded to the Firm on an interim basis in connection with its Second Interim Fee Application, filed on November 13, 2009 (docket #731);

(iii) \$39,883.00 in fees and \$2,675.26 in expenses awarded to the Firm on an interim basis in connection with its Third Interim Fee Application, filed on February 16, 2010 (docket #1006); and

(iv) \$25,148.02 in fees (the total amount of fees earned during the Fourth and Final Compensation Period of \$32,823.50 less a \$7,675.48 reduction of fees billed to the “fee applications / time recordation” category) and \$3,168.27 in expenses earned and incurred by the Firm during the Fourth and Final Compensation Period;

54. Allowing such amounts as priority administrative expenses of the estate pursuant to 11 U.S.C. § 503(b)(2) and 507(a)(1);

55. Authorizing and directing the Debtors, pursuant to 11 U.S.C. §§ 330 and 331, to pay such amounts from the estate as set forth herein, to the extent allowed but remaining unpaid pursuant to the Administrative Compensation Order; and

56. Granting Parsons Behle such other and further relief as is just and reasonable in the circumstances.

DATED this 14th day of May, 2010.

PARSONS BEHLE & LATIMER

/s/ J. Thomas Beckett
Counsel to the Committee